

APPENDIX I - LETTER FROM CHIEF FINANCIAL OFFICER

I am the chief financial officer of _____.
This letter is in support of the use of the financial test of self-insurance to demonstrate financial responsibility for the containment and cleanup of discharges of oil in the amount of at least _____ per occurrence and _____ annual aggregate arising from operating (an) aboveground storage tank(s) and/or (a) pipeline(s).

Aboveground storage tanks at the following facilities and/or pipelines are assured by this financial test by this owner/operator (_____).

On a separate attachment, list for each facility: the name and address of the facility where tanks assured by this financial test are located, either the registration identification number assigned by the Department or the Oil Discharge Contingency Plan facility identification number, and whether tanks are assured by this financial test. If separate mechanisms or combinations of mechanisms are being used to assure any of the tanks at this facility, list each tank assured by this financial test.

On a separate attachment, list for each pipeline: the home office address and the names of the cities and counties in the Commonwealth where the pipeline is located.

This owner/operator (_____) has not received an adverse opinion, a disclaimer of opinion, or a "going concern" qualification from an independent auditor on the financial statements for the latest completed fiscal year.

Fill in the information for Alternative I if the criteria of 9 VAC 25-640-70 B are being used to demonstrate compliance with the financial test requirements. Fill in the information for Alternative II if the criteria of 9 VAC 25-640-70 C are being used to demonstrate compliance with the financial test requirements.

ALTERNATIVE I

1. Amount of AST annual aggregate coverage being assured by a financial test, and/or guarantee\$ _____
2. Amount of pipeline annual aggregate coverage covered by a financial test, and/or guarantee\$ _____
3. Amount of annual underground storage tank (UST) aggregate coverage being assured by a financial test and/or guarantee pursuant to 9 VAC 25-590.....\$ _____
4. Total AST/Pipeline/UST financial responsibility obligations assured by a financial test and/or guarantee (Sum of lines 1, 2 and 3)\$ _____
5. Total tangible assets \$ _____
6. Total liabilities [if any of the amount reported on line 4 is included in total liabilities, you may deduct that amount from this line or add that amount to line 7]\$ _____
7. Tangible net worth [subtract line 6 from line 5]\$ _____

- | | Yes | No |
|--|-------|-------|
| 8. Is line 7 at least equal to line 4 above? | _____ | _____ |
| 9. Have financial statements for the latest financial reporting year been filed with the Securities and Exchange Commission? | _____ | _____ |
| 10. Have financial statements for the latest financial reporting year been filed with the Energy Information Administration? | _____ | _____ |

11. Have financial statements for the latest financial reporting year been filed with the Rural Utilities Service?

12 Has financial information been provided to Dun and Bradstreet, and has Dun and Bradstreet provided a financial strength rating of at least equal to the amount of annual AST/pipeline aggregate coverage being assured? [Answer "Yes" only if both criteria have been met.]

13 If you did not answer yes to one of lines 9 through 12, please attach a report from an independent certified public accountant certifying that there are no material differences between the data reported in lines 5 through 8 above and the financial statements for the latest financial reporting year.

ALTERNATIVE II

1. Amount of AST annual aggregate coverage being assured by a financial test, and/or guarantee\$

2. Amount of pipeline annual aggregate coverage covered by a financial test, and/or guarantee\$

3. Amount of annual underground storage tank (UST) aggregate coverage being assured by a financial test and/or guarantee pursuant to 9 VAC 25-590.....\$

4. Total AST/Pipeline/UST financial responsibility obligations assured by a financial test and/or guarantee (Sum of lines 1, 2 and 3)\$

5. Total tangible assets\$

6. Total liabilities [if any of the amount reported on line 4 is included in total liabilities, you may deduct that amount from this line or add that amount to line 7]\$

7. Tangible net worth [subtract line 6 from line 5]\$

8. Total assets in the U.S. [required only if less than 90 percent of assets are located in the U.S.]\$

Yes No

9. Is line 7 at least equal to line 4 above?\$

10. Are at least 90 percent of assets located in the U.S.? [If "No," complete line 11.]\$

11. Is line 8 at least equal to line 4?\$

[Fill in either lines 12-15 or lines 16-18:]

12. Current assets\$

13. Current liabilities\$

14. Net working capital [subtract line 12 from line 11]\$

Yes No

15. Is line 14 at least equal to line 4?\$

16. Current bond rating of most recent bond issue.....\$

17. Name of rating service.....\$

18. Date of maturity of bond.....\$

Yes No

19. Have financial statements for the latest fiscal year been filed with the SEC, the Energy Information Administration, or the Rural Utilities Service?... ..\$

[If "No," please attach a report from an independent certified public accountant certifying that there are no material differences between the data as reported in lines 5-18 above and the financial statements for the latest financial reporting year.]

[For Alternatives I and II, complete the certification with this statement.]

I hereby certify that the wording of this letter is identical to the wording specified in Appendix I of 9 VAC 25-640 as such regulations were constituted on the date shown immediately below.

[Signature]

[Name]

[Title]

[Date]